

THE COUNCIL FOR TOBACCO RESEARCH-U.S.A., INC.

900 THIRD AVENUE
NEW YORK, N. Y. 10022

ROBERT F. GERTENBACH
PRESIDENT

July 6, 1987

Mr. Paul A. Randour
Senior Vice President & General Counsel
American Brands, Inc.
1700 East Putnam Avenue
P.O. Box 819
Old Greenwich, CT 06870-0819

Dear Mr. Randour:

At the Board of Directors' meeting on December 12, 1986, \$15,210,000 was assessed as dues to be paid by Class A members of The Council for the fiscal year 1987. The first installment of said dues based on 2.72 cents for each 10,000 tax-paid cigarettes has been paid and totals \$1,520,712, leaving net unpaid dues totaling \$13,689,288.

Your Company's proportionate share of the first installment was \$113,368 or 7.455%. Applying this percentage to the \$13,689,288 unpaid balance, a total of \$1,020,538 remains to be paid in eleven installments by The American Tobacco Company.

Will you please return a check to this office for \$185,554 representing your Company's second and third installments of 1987 dues.

The check should be made out to THE COUNCIL FOR TOBACCO RESEARCH-U.S.A., INC.

Cordially,

R. F. Gertenbach

RFG/lp

cc: Mr. Thomas C. Hays
Janet C. Brown, Esq.